

[Date]

[Applicant Name]

[Applicant Address]

[City, State, Zip Code]

Subject: Notification of Refinance Application Status

Dear [Applicant Name],

Thank you for choosing [Lending Institution Name] for your home refinance needs. We have carefully reviewed your application for the property located at [Property Address].

Regrettably, we are unable to approve your request for a refinance at this time. Our decision is based on the following factor(s):

- **Insufficient Collateral Value:** A recent appraisal or valuation indicates that the current market value of your property is lower than the outstanding balance of your existing mortgage or the required loan-to-value (LTV) ratio.

Because your home currently has a value deficit (negative equity), it does not meet the minimum equity requirements for our standard refinance programs.

Under the Equal Credit Opportunity Act, you have the right to a written statement of the specific reasons for this denial. You may also have the right to a copy of any appraisal report used in connection with your application. To request this information, please contact us within 60 days at the address provided below.

[Lender Name / Department]

[Lender Address]

[Phone Number]

If you believe there are errors in the property valuation or if you would like to discuss alternative options such as government-backed assistance programs, please contact your loan officer.

Sincerely,

[Name of Loan Officer/Representative]

[Title]

[Lending Institution Name]